



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
FOREST INVESTMENT PROGRAM
APPROVED ON JANUARY 26, 2018
TO
REPUBLIC OF COTE D'IVOIRE

ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY

WESTERN AND CENTRAL AFRICA

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ABBREVIATIONS AND ACRONYMS

CFI	Cocoa and Forests Initiative
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
GF	Gazetted Forests
GHG	Greenhouse Gas
IDH	The Sustainable Trade Initiative
IGAs	Income-Generating Activities
MP	Management Plans
MTR	Mid Term Review
OIPR	Ivoirian Office of Parks and Reserves / <i>Office Ivoirienne des Parcs et Réserves</i>
PDIC	Cocoa Integrated Value Chain Development Project
PDO	Project Development Objective
SCF	Strategic Climate Fund
SODEFOR	National Forest Development Agency / <i>Société de développement des forêts</i>
SPREF	Strategy for Preservation, Rehabilitation and Extension of Forests
TNP	Taï National Park
UIAP	Integrated Project Administration Unit
WB	The World Bank



BASIC DATA

Product Information

Project ID P162789	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 26-Jan-2018	Current Closing Date 31-May-2023

Organizations

Borrower Republic of Cote d'Ivoire	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The Development Objective is to conserve and increase the forest stock and improve access to sources of income from sustainable forest management for selected communities in target zones

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A6248	26-Jan-2018	16-Feb-2018	16-May-2018	31-May-2023	9.44	6.00	3.44
TF-A6861	26-Jan-2018	16-Feb-2018	16-May-2018	31-May-2023	5.56	3.98	1.58

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction

1. The Forest Investment project (FIP) is a US\$15 million project of which US\$9.44 million loan (TFOA6248) and US\$5.56 million grant (TFOA6861) financed by the Forest Investment Program under the Strategic Climate Fund. The project was approved on January 26, 2018 and became effective on May 16, 2018. The project aims to conserve and increase the forest stock and improve access to sources of income from sustainable forest management for selected communities in target zones.

2. Implementation of the project was faced with several obstacles mainly due to a two-year delay by the Government in: (i) institutionalizing the Integrated Project Administration Unit (UIAP) responsible for the implementation of all World Bank (WB) financed environmental and natural resources management projects, created before project effectiveness; and (ii) formally nominating the UIAP Coordinator. Furthermore, the allocation of the 2020 budget by the Government was delayed by 6 months, which in turn delayed implementation of the work plan for 2020. The mid-term review (MTR) initially planned for January 2021 was advanced to October 2020 to address the poor performance of the project.

3. A project restructuring was processed in February 2021 to realign the project in light of MTR recommendations: (i) to ensure a better alignment of the FIP with the Forest Preservation, Rehabilitation, and Extension Strategy/*Stratégie de Préservation, de Réhabilitation et d'Extension des Forêts* (SPREF) which came into effect shortly after the FIP became effective; and (ii) to strengthen alignment and complementarity with Cocoa Integrated Value Chain Development Project (PDIC) for a global WB support to sustainable Cocoa production and implementation of the Cocoa and Forests Initiative (CFI).

4. The Government recently submitted a second formal project restructuring request (Annex 1) for a reallocation of funds among sub-components, to ensure sufficient resources are available to cover project management costs and closure of project activities by May 2023. The proposed changes will trigger a Level 2 restructuring, as the Project Development Objective (PDO) remains achievable and unchanged.

B. Project Status

5. The disbursement amount to date is US\$9.98 million, or 66.5 percent of disbursement rate. The technical performance of the project is Satisfactory and followed an uptick in disbursement after MTR held in August 2020. Implementation status by component and main outputs as of today are presented below:

Component 1. Sustainable Management of the Gazetted Forests.

6. Sub-component 1.1. Participatory development and implementation of GFs management plans. *Achieved:* The four management plans for GF networks in the center (Ahua, Proungbo-Sérebé, Kouabo Boka-Soungourou and Boka-Go) were delivered. The project also supported annual surveillance patrolling missions of the GF through vehicles acquisition. The preparation of Participatory Forest Management plans (PFMP) for the 3 Gazetted Forests (GF) in the South-West (Rapides Grah, Haute-Dodo, Scio) is on track and expected to be submitted by end of July to the World Bank for review. The PFMP for the network of Laka-Fetekro-Mafa-Besse-Boko has also regional validation workshops planned by the end of July. *Not*



yet achieved: Once PFMP of the South-West and Scio GFs are finalized the Environmental and Social Impact Assessments will be conducted and are expected to be finalized by December 2022.

7. GF co-management with local committees: *Achieved:* The project established 22 local committees for GF co-management in the villages adjacent to the project targeted sites and have been trained in basic concepts of participatory GF management, including awareness raising on forest ecosystem services and their contribution to climate change mitigation and adaptation. *Not yet achieved:* The co-management committees' participation in the development and implementation of GFs management plans, and sharing the incomes of sustainable GF management with SODEFOR (i.e. incomes from the sales of wood products) through a benefit sharing plan is underway. A decree on the benefit-sharing plan was prepared and has been submitted to the Government.

8. Promotion of forests concessions with the private sector for agroforestry, timber and fuelwood production: *Achieved:* The Project has: (i) established a 10-year GF concession contract between SODEFOR and a women's association now responsible for the management of the GF of Ahua located in the center of the country. The association was supported by the project to implement agroforestry in the GF through provision of tree seedlings, inputs for vegetable gardening for the *taungya* system, capacity building in agroforestry and intensification and establishment of water catchments; and (ii) support the implementation of a concession with the private sector for conservation of Laka-Mafa, Besse-Boka, Fetekro GFs network, through financing fencing of the GF network and the development of its management plan. *Not yet achieved:* The promotion of additional concessions of old teak plantations to restore 20,000 hectares in the center of the country is underway, through the procurement of firms to conduct an inventory of these plantations, develop economic models and investment plans to harvest, renew or create sustainable, productive plantations for timber and fuelwood. The project will also finance technical assistance for the publication of requests for expression of interest at the national and international levels, preparation of bidding documents and technical assistance for the elaboration of the concession contracts.

9. Sub-component 1.2. Development and implementation of an incentive system to reduce pressure on forest resources *Achieved:* A total of 3,400 of the targeted 5,000 hectares of forest plantations have been established through performance-based contracts executed by local communities. To date, 240 performance-based reforestation contracts have been signed with 520 beneficiaries, 42 percent of whom are women. The project also financed the establishment of nurseries led by women for the development and transportation of tree seedlings to the plantation sites, and field preparation and planting. *Not yet achieved:* The establishment of 15,000 hectares of agroforestry, aimed at developing a buffer zone between the Taï National Park and the three GFs adjacent to it (Rapides Grah, Haute Dodo and Goin-Débé). To date, 483 performance-based reforestation contracts have been signed with 763 beneficiaries, 40% of whom are women.

Component 2. Support to sustainable management of the Taï National Park.

10. Sub-component 2.1. Enhancing surveillance capacity for OIPR: *Achieved:* The project enhanced the surveillance capacity of the OIPR by providing vehicles and drones to increase the range and number of surveillance missions, and reduce poaching and deforestation pressure on the park. The implementation of the 2022 conservation and surveillance plan of the Park is on track covering over 50% of park surface area as targeted by June 2022. *Not yet achieved:* The rehabilitation of access roads has been delayed due to delays in procurement, the activity will be carried over under FIP-2 project.

Sub-component 2.2. Support to enhance park communities' livelihoods: The project financed income-generating activities for communities adjacent to the Taï National Park (TNP) to build their capacity and reduce deforestation or forest degradation on the park. The project benefited 47 villages around the TNP through financing animal husbandry, poultry



income generating activities, the establishment of community nurseries and distribution of 234,233 seedlings of various fruit tree species for agroforestry activities for 5,301 farmers. The selection process of alternative income generating activities targeting a dozen community groups adjacent to the Park is underway and their implementation should kick off by August 2022. This subcomponent also aims at rehabilitating illegal gold panning sites around the Park. To date, 71 sites have been closed. Contamination assessments have been conducted on the degraded site prior to implementing assisted natural regeneration activities. Even though the results of the contamination assessments indicate low traces of heavy metals, the development the activities have been suspended due to the risk of contamination linked to the persistence of gold panning upstream of these sites.

Component 3: Project Management and Monitoring and Evaluation

11. Subcomponent 3.1 Project management: Project management was functioning in a moderately unsatisfactory manner, as the project suffered from institutional bottlenecks which led to a lack of project coordination. To remediate the issue, as of December 2021, the project launched new recruitment of project coordinator and technical coordinator, and to strengthen the institutional arrangements, the UIAP has also been under close supervision of the Ministry of Economy and Finance. The formal nomination of the project Coordinator is being processed through an interministerial order.

12. Subcomponent 3.2 Independent monitoring: The independent evaluation of the performance-based reforestation program was conducted by OIREN to verify the effectiveness of the 3,400 hectares planted and payments received by local communities who took part in the program. Throughout the remaining duration of the project, the independent evaluation will be recurrent and reported to the IUAP and to the World Bank.

C. Rationale for Restructuring

13. The rationale of this level 2 restructuring is to reallocate funds among TF0A6861 Grant for sub-components: 1.2. Development and implementation of an incentive system to reduce pressure on forest resources; 2.1. Enhancing Surveillance capacity of OIPR; 2.2. Support to enhance park communities' livelihoods; 3.1. Sub-project management; and 3.2. Independent Monitoring, to cover the management costs, result-based payment activities to project beneficiaries and activities for project closure, which will be closing in May 2023 (see table 2: reallocation of funds among components).

14. The proposed changes will not impact the PDO which remains achievable.

II. DESCRIPTION OF PROPOSED CHANGES

15. The Government of Côte d'Ivoire requests a reallocation of project funds at category's level for TF A6861 (Grant), under the following components and sub-components:

- (i) **A decrease of US\$1.34 million under Component 1.** The revised amount is US\$10.60 million from the initial US\$11.94 million, of which US\$7.16 million was spent (funds will be reduced from the balance¹ of US\$4.78 million remaining from the initial budget). As sub-component 1.3 has been cancelled, the amount of US\$1.50 million is reallocated to fill the exceeded expenses under sub-component 1.2 (US\$-160,000), and sub-component 3.1 (-US\$ 670,000).
- (ii) **An increase with US\$ 340,000 under Component 2,** whereby US\$180,000 under sub-component 2.1 to support

¹ Disbursement and balance figures are accurate as of end of June 2022.



the rehabilitation of park rangers' quarters; and US\$ 160,000 under sub-component 2.2 to continue supporting income generating activities for communities. The revised amount of component 2 is US\$2.34 million from the initial US\$2 million, of which US\$1.24 million was spent. (Funds will be added to the balance of US\$ 760,000 remaining from the initial budget).

- (iii) **An increase of funds with US\$ 1 million under Component 3** to fill exceeded expenses in project management costs under sub-component 3.1 and to support project management until project closure. For this, US\$1 million reallocated from sub-component 1.3, and US\$ 120,000 will be reallocated from sub-component 3.2 to sub-component 3.1 (Funds will be added to the US\$-670,000 balance remaining of the initial US\$1.06 million budget.). See the new reallocation table by component below.

Table 2. Reallocation among components

Component names	Initial project budget (million US\$)			Total spent June 2022 (million US\$)			Balance June 2022 (million US\$)	New		
	Total	Grant	Loan	Total	Grant	Loan	Total	Total	Grant	Loan
Component 1. Sustainable Management of the Gazetted Forests	11.94	2.50	9.44	7.16			4.78	10.60	1.16	9.44
Sub-comp 1.1. Participatory development & implementation of GF management plans	9.44	0.00	9.44	6.00	0.00	6.00	3.44	9.44		9.44
Sub-comp 1.2. Development and implementation of an incentive system to reduce pressure on forest resources	1.00	1.00	0.00	1.16	1.16	0.00	-0.16	1.16	1.16	
<i>Sub-comp 1.3. Voluntary returns from the SW to Center</i>	1.50	1.50	0.00	0.00			1.50	0.00	0.00	0.00
Component 2. Support to sustainable management of the Tai National Park	2.00	2.00	0.00	1.24			0.76	2.34	2.34	0.00
Component 2.1. Enhancing surveillance capacity of OIPR	1.00	1.00	0.00	0.88	0.88	0.00	0.12	1.18	1.18	0.00
Component 2.2. Support to enhance park communities' livelihoods	1.00	1.00	0.00	0.36	0.36	0.00	0.64	1.16	1.16	0.00
Component 3. Project Management and M&E	1.06	1.06	0.00	1.48			-0.42	2.06	2.06	0.00
Sub-comp 3.1. Project Management	0.81	0.81	0.00	1.48	1.48	0.00	-0.67	1.93	1.93	0.00
Sub-comp 3.2. Independent Monitoring	0.25	0.25	0.00	0.00	0.00	0.00	0.25	0.13	0.13	0.00
TOTAL	15.00	5.56	9.44	9.88	3.88	6.00	5.12	15.00	5.56	9.44

16. Environmental and Social Safeguards. The environmental category "B" of the restructured project remains unchanged, as the request of reallocation of funds will not lead to any new activities in the project.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Components and Cost	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓



Environmental Analysis		✓
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IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Sustainable Management of the Gazetted Forests	10420000.00	Revised	Sustainable Management of the Gazetted Forests	10600000.00
Support to Sustainable Management of the Tai National Park	3080000.00	Revised	Support to Sustainable Management of the Tai National Park	2340000.00
Project Management and Monitoring and Evaluation	1500000.00	Revised	Project Management and Monitoring and Evaluation	2060000.00
TOTAL	15,000,000.00			15,000,000.00

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
TF-A6861-001 Currency: USD				
iLap Category Sequence No: 1	Current Expenditure Category: GD,WK,NCS,CS, SubG,TR,WkSh,OC - Pt1			
1,500,000.00	1,156,573.30	1,160,000.00	22.50	22.50
iLap Category Sequence No: 2	Current Expenditure Category: GD,WK,NCS,CS, SubG,TR,WkSh,OC - Pt2			
3,000,000.00	1,240,470.95	2,340,000.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: GD,WK,NCS,CS, SubG,TR,WkSh,OC - Pt3			
1,060,000.00	1,058,729.27	2,060,000.00	100.00	100.00



The World Bank

Forest Investment Program (P162789)

Total	5,560,000.00	3,455,773.52	5,560,000.00
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